

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
Implementation of Section 621(a)(1) of)
the Cable Communications Policy Act of 1984)
as amended by the Cable Television Consumer)
Protection and Competition Act of 1992)

MB Docket No. 05-311

COMMENTS OF
MO-NATOA
Missouri Chapter-National Association of Telecommunications
Officers & Advisors

Submitted

February 13, 2006

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SUMMARY

Mo-NATOA members - including City and County Attorneys, Franchise Administrators, City Managers, Public Works Directors, Government Access Channel producers and others on the front lines of day-to-day franchising issues – herein provide specific factual information and actual historical examples to aid the Commission in understanding the history and benefits of franchising in Missouri and to support the following key points:

Missouri communities support competition in the video marketplace and have taken proactive steps to foster competition, including adoption of general regulatory codes and level playing field provisions which create certainty because they apply equally to all video providers.

LFAs banned exclusive franchises long before the 1984 or 1992 Cable Acts, and have – *when given the opportunity to do so* - have discussed, negotiated or issued local franchise(s) to viable applicants – incumbents or overbuilders or new entrants. WOW quit the area before building, Everest left Kansas City after starting construction, and Charter tried to buy out overbuilder Cable America in Maryland Heights.

With one exception, telephone companies have not approached Mo-NATOA members to actually discuss or apply for franchises to provide cable TV services over networks in their streets. In that one exception – a cable franchise was offered by the City and rejected by the company.

Cable franchise provisions and conditions vary from community to community for reasons related to terrain, geography, demographics, community preferences, size, and overall budget considerations. Video is not a product like soft drinks, with one recipe for one product identical across the country.

Just as local broadcast stations reflect the characteristics and viewing preferences of their markets, so must cable TV – including PEG Channels – reflect the media interests and needs of its viewing audiences, which will be different in different places. As Missouri cities demonstrate, there is no single “one size fits all” for PEG – some want more than one of all three “P”, “E” and “G”, some prefer no “P” but a lot of “E”, and some focus scarce resources on “G” alone.

Whichever choice is made, PEG has been a huge success:

- contributed to the creation of a skilled video workforce leading to a robust video industry;
- produced programs which have won national awards including Tellys and Emmys;
- opened the legislative process to even more observers through televised public meetings;
- enabled high school and adult students to take college level courses off campus;
- disseminated critical information during emergencies;
- supported the mission and enhanced the delivery of non-profits groups services ; and
- provided local electronic soapboxes in an era of increasing media consolidation at national levels.

Local requirements for buildout and customer service are an important adjunct to local government’s protection of public health, safety and welfare, which the PROW permitting process ensures that video systems – like any other occupant of public streets – follows the rules and offers adequate compensation for commercial use of public property for private profit.

MO-NATOA members offer specific and detailed information and illuminates specific examples in support of their assertions, so that the Commission may understand more fully the accurate facts and historical context of franchising in Missouri, which have contributed to a healthy video marketplace characterized by variety, regulatory certainty, openness to competition, level playing fields and even-handed, non-discriminatory enforcement.

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COMMENTS OF

MO-NATOA

Missouri Chapter-National Association of Telecommunications Officers & Advisors

On behalf of its members, these Comments are filed by MO-NATOA to provide factual evidence requested by the Commission in its NPRM and in support of the comments filed by the National Association of Telecommunications Officers and Advisors ("NATOA").

Mo-NATOA members include City and County Attorneys, Franchise Administrators, City Managers, Public Works Directors, Government Access Channel producers and others on the front lines of franchising with a day-to-day working knowledge of practice, not just theory.

As NATOA points out, MO-NATOA members know that – *when given the opportunity to do so* - Local Franchise Authorities (LFAs) can - and do - issue appropriate local franchise(s) for entrants into the video services field. And just as they have done so on a timely basis for established cable services providers in the past, they are equally able to do so for new entrants in the future. The problem has been a lack of viable and/or willing applicants, rather than LFAs’

alleged desire to limit competition. Therefore it is our desire to place in the record some historical and accurate facts about video franchising in our state.

I. CABLE FRANCHISING IN MISSOURI

In Missouri, a cable "franchise" is usually termed a "franchise" as is meant by the Federal Cable Act . In some communities the franchise is governed by a single document, the Franchise "Agreement" (either original or renewal) containing all terms and conditions: regulation; duration; terms and conditions; due process and enforcement procedures; insurance; penalties; and permit requirements, just like any other comprehensive contract. In other communities, the franchise terms are spelled out in one or more documents such as a general Regulatory Code ordinance applicable to all "cable" or "video" providers, or a Customer Service Standards Ordinance, or separate (renewal) Settlement Agreements, in addition to the Franchise Agreement itself. The terms of these other documents are sometimes established separately under the LFA's police powers, but often are negotiated with the incumbent Cable Operator in conjunction with a renewal franchise agreement. These documents are collectively referred to as the "Franchise" herein.

1. Local Franchise Authorities in Missouri - generally the elected legislative and governing body of the community - must balance legal and fiduciary responsibilities beyond franchises.

Whether a City Council or Board of County Commissioners, its members are elected by citizens to represent the broad interests of those citizens, and able to be recalled or un-elected by those same citizens. Your constituent is the neighbor you see at the grocery store. The "business" you run (a government entity which provides real services like street cleaning, trash

pick-up, police and fire protection) must – *by law* – operate on a “Zero-based budget”. *State and Local governments in Missouri cannot run deficits* (as federal government is allowed to do). If they do not get the money in that fiscal year they cannot spend the money. When revenues go down, there are fewer street cleanings in St. Louis, or Winchester contracts with the County for police services instead of maintaining its own force. That is one reason why fluctuations in tax or franchise fee revenues caused by policy changes or rulings from Washington are met with such ire and distress by the victims affected.

2. Missouri Cities Banned Exclusive Franchises Long Before the 1984 or 1992 Cable Acts.

The FCC and others have been led to mistakenly believe and assert that it took a federal Cable Act to pre-empt the local practice of issuing exclusive franchises. The record in Missouri indicates that this is not true. By way of example:

Exclusive franchises forbidden prior to 1992 Act		
City of Columbia	City Regulatory Code	1964
North Kansas City	Franchise	Circa 1982-
Springfield	City Charter	1954
St. Charles City	City Charter	1981
St. Charles County	Franchise Agreement	1970's
St. Peters		
St. Louis City	City Charter	1919
St. Louis County	Cable Ordinance 9659	1980

II. IMPORTANT COMMUNITY CHARACTERISTICS

3. Missouri’s citizens tend to choose unconsolidated local government.

In recent testimony before the Commerce Committee of the Missouri Senate, General Counsel Paul Lane of SBC (now AT&T) asserted that there are 553 cable franchises in Missouri. We cannot verify that exact figure, but it speaks to several key points.

A. Missouri is perhaps unique in that its citizens often prefer relatively small local government to the large consolidated City-County governments one finds in Denver, Memphis or San Francisco – and have voted often over the past decades to keep it this way.

For example, there are 96 municipalities within St. Louis County with their own government separate from the County. Mo-NATOA members there vary in size from the City of Winchester, with few square miles and maybe a thousand homes, to Maryland Heights, with a daytime work population of 100,000 and resident (nighttime) population of only 25,000 to the County itself, with population exceeding 1,000,000. However, next-door neighbor the City of St. Louis, with 154,000 homes and 348,000 residents has a government structure that technically is the City of St. Louis, and the County of the City of St. Louis.

On the western side of the State, the consolidated and geographically large City of Kansas City is surrounded by a number of relatively large and relatively small municipalities, such as Gladstone, Lee's Summit, North Kansas City, and Blue Springs. Many band together through the Mid-America Regional Council, an area-wide quasi-governmental planning agency, which has conducted studies and spearheaded policies relating to Right-of-Way management, telecom regulation and related topics for both its Missouri and Kansas members.

B. There are different perspectives as to whether this approach is a positive or a negative. A telco wishing fast deployment would claim it is ridiculous – but that is only his business perspective with the goal of fast return on capital expenditures. On the other hand a cell phone antenna installer may find it very convenient that small communities can make fast decisions on zoning with a minimum of bureaucracy.

C. It should not be the duty or role of a federal administrative agency to second-guess or interfere with the decisions of citizens who have voted for the type of local government they want, even if some in the telecom business sector find it not to their liking. Local government was not invented - nor should it be re-invented – just so that one industry could deal with a single landlord across a state or country. Nor can telecommunications always be at the tip of the municipal hierarchy of all things important, taking constant precedence over public health, police and fire protection, disaster management, zoning laws, public and physical safety, wisest and highest use of public property, fiduciary responsibility to its taxpayers, legislative preferences, or public education. The table below samples the variety present in Missouri:

Missouri Community	Population	Square Miles	Characteristics
City of Columbia	91,000	66	Urban and rural
North Kansas City	4,708	4	1.5 sq m residences 2.8 commercial/industrial
Springfield	140,000	85	
Maryland Heights	25,000		Residential, industrial, farmland commercial, floodplain
St. Charles City	60,321	23	Urban residential, commercial and floodplain
St. Charles County	93,457 unincorporated	416	Suburban, commercial, farmland, floodplain
St. Louis City	348,000	63	Inner urban residential, retail, commercial, industrial
St. Louis County	1,016,315	524	Primarily urban, some floodplain

4. Franchising decisions in Missouri are handled at a level very close to - and necessarily responsive to - each community's taxpaying residents, businesses and subscribers.

Both elected officials and professional staff have consistent, daily frequent contact with the public they serve (by way of example, council meetings, incoming phone calls, "town hall" sessions, public hearings, zoning appeal boards, park commissions, and many others).

In larger municipalities there is sometimes a centralized full-time professional staff or a separate department delegated to handle franchise administration, citizen complaints, community needs assessments, negotiations and the like in conjunction with the City (County) Attorney's office :

City of St. Louis:	Regulatory	and	Government Channel Staff
Springfield:	Regulatory	and	Government Channel Staff
St. Charles City	Regulatory	and	Government Channel Staff
St. Peters	Regulatory	and	Government Channel Staff
Kansas City	Regulatory	and	Government Channel Staff

Such departments usually report directly to both legislative and executive branches of the local government.

In smaller communities, the City or County Attorney may be assigned primary oversight for franchise compliance, ordinance development and preparation of agreements and related documents, with other aspects of administration variously coordinated by the City Manager, Public Works Director, the County Consumer Protection Department, and other related offices:

- St. Louis County
- St. Charles County
- Gladstone
- Jefferson City
- Winchester
- Maryland Heights
- Columbia

Regardless of the organizational structure, Missouri taxpayers expect their local government to react to problems quickly and get them solved. Put another way, Mo-NATOA members report

that a common refrain from subscriber complaint phone calls is, “the city gave this darn company a cable franchise and now I have a problem and I want it fixed...soon, if not today”.

For both survival and public interest reasons, elected officials and their professional staffs have developed a keen sense of what makes citizens happy and unhappy. Obviously, they want to keep their fingers on the pulse of public sentiment, in order to keep them happy whenever possible.

5. Franchise Requirement are based on real reaseach and community ascertainments.

To conduct community assessments of cable-related needs, MO-NATOA members have spent their own local dollars to fund detailed ascertainments by outside consultants (Columbia), or pay for statistically valid telephone surveys (St. Louis), or mail survey forms to every household in the jurisdiction (St. Charles and St. Peters), or hold public hearings, or conduct interviews with citizens and stakeholders, or create separate citizen advisory boards (St. Louis County and Columbia).

Such input, studies, surveys, feedback and legislative responsiveness supports the assertion that a Missouri LFA is in an excellent position to determine what its community’s needs are and negotiates to meet those needs. As pointed out in the *Sturgis* decision governing franchise renewal, a legislative body acting in its capacity as such is not to be second-guessed by a court. MO-NATOA respectfully suggests that this directive is also applicable to administrative agencies and professional staff - federal, state or local – no matter how knowledgeable or well-intentioned they might be.

III. CURRENT FRANCHISES AND FRANCHISE REQUIREMENTS

6. Missouri franchise terms and conditions vary, reflecting the needs of the particular community, the type of system being built, the geographic terrain or location, the type of

right-of-way available for use, the quality of the cable company's operations, transfers of ownership, and which (or how many) cable operators have gone before.

The trends in the “franchising wars” of the late 1970s and early 1980’s led to the earliest franchises being awarded in relatively dense existing residential areas. Many municipalities in St. Louis County, the County itself, and St. Charles City were targeted by operators to be “early adopters” Therefore those franchises tended to come for renewal at the earliest 15 year mark – except for neighboring municipalities- like Brentwood - which awarded 20 year franchises. Newer “greenfield” ex-urban communities were not targeted for franchising until later, as subdivisions and density increased Inner urban areas like St. Louis did not achieve a franchise until 1984.

We point this out because it is of benefit to both the cable operator and the LFA that these schedules and timetables vary. Cable Government Relations Managers would lose their minds trying to be everywhere at once juggling simultaneous renewal negotiations, and an LFA might (naturally) want to see what everyone else was getting before finalizing its deal, or lamenting that it did not get what it needed this time because the cable operator insisted on a single blue plate special this year instead of a cafeteria pick and choose based on size and taste..

To some extent, individual community needs also depends on what has gone before: how many operators franchised when, how many transfers, whether a transfer provided an opportunity for an early renewal in a single process, whether an incumbent bought out a rival incumbent in the same franchise area, and which franchise agreement survived the transfer.

The following 2002 chart provides an excellent survey of operator market consolidation in one metropolitan area of Missouri, and the obvious effect it can have on all aspects of franchising. Denying the renewal of a poor performer is a potential option in a market where

there is other more competent providers right next door. It becomes much harder when one operator has bought out 98% of its competitors and remains the sole company standing. Despite careful consideration of many applicants during the initial franchise wars, despite choosing the applicants best suited to the individual community or franchise area needs, despite issuing long-term franchises to create stability, Franchise Authorities have ended up with providers very different from what they saw at the beginning of cable TV deployment:

(see next page)

History Cable Franchises in the Metropolitan St. Louis Area (Dates approximate)
(Smaller franchises not listed)

Revised version 8/02

COMMUNITY	circa 1980 – 1985	circa 1990	circa 1996	circa 1999	circa 2001
St Louis City Area I Area II	STL Cablevision Partners St Louis City Communications	TCI TCI	TCI TCI	ATT ATT	Charter Charter
St Louis County Area B Area C Area A Area D Area E	American Continental United Video United Video Warner Amex** Cencom Warner Amex** Cencom Warner Amex** Cencom <i>**see note below</i>	Continental United Video Crown Crown Crown	TCI Charter Charter Charter Charter	ATT Charter Charter Charter Charter	Charter Charter Charter Charter Charter
Brentwood Clayton University City Overland Jennings St. Ann	Continental Continental Continental Continental Continental Continental	Continental Continental Continental Continental Continental Continental	TCI TCI TCI TCI TCI TCI	ATT ATT ATT ATT ATT ATT	Charter Charter Charter Charter Charter Charter
Maryland Heights	Continental	Continental	TCI Cable America	ATT Cable America	Charter Cable America
Ladue Town & Country Kirkwood Webster Groves Bridgeton Ballwin Ellisville	Warner Amex Cencom Warner Amex Cencom Warner Amex Cencom Warner Amex Cencom Warner Amex Cencom Warner Amex Cencom Warner Amex Cencom	Crown Crown Crown Crown Crown Crown Crown	Charter Charter Charter Charter Charter Charter Charter	Charter Charter Charter Charter Charter Charter Charter	Charter Charter Charter Charter Charter Charter Charter
Hazelwood	Warner Amex Cencom TCI Continental	Crown TCI Continental	Charter TCI TCI	Charter ATT ATT	Charter Charter Charter
North Area Cable TV Authority NACTA	American	American	TCI	ATT	Charter
St. Charles City St. Peters O'Fallon St Charles County E	'79 First Capitol Cablevision to '81 Teleprompter reorganized as '82 Group W Cable transfer to '86 GWC 76 Inc assigned to '88 TCI of Missouri (parent)	TCI	TCI	ATT	Charter
St Charles County W Lake St. Louis Wentzville	Continental Continental Continental	Continental Continental Continental	TCI TCI TCI	ATT ATT ATT	Charter Charter Charter
Jefferson County Muni Consortium	TCI	TCI	TCI	ATT	Charter
East St. Louis (ILLINOIS)	TCI	TCI	TCI	ATT	Charter
Belleville (IL) Metro East		Continental	TCI	ATT	Charter

Some pertinent details which just compound the complexities of franchising include the following facts:

- St. Louis County's original Grantees, Storer-Gateway (Area A) and Sammons (D & E), sold to Warner-Amex in early 1980s prior to system construction. Warner Amex has a technologically advanced concept with Qube TV but faded out of St. Louis anyway.
- Cencom – started , financed and operated by hometown businessmen was sold to a Kansas City corporation called Crown (which owned Hallmark) until Crown Cable decided it preferred greeting cards to video and sold it back to the original hometown Cencom managers (including Jerry Kent) , who had reorganized themselves as Charter, running a well-respected system of 250,000 subscribers before Paul Allen stepped in changing small local Charter into the umbrella moniker for the” Marcus-Falcon-Charter-Whoever wired world”.
- TCI's transfer to ATT in early 1998 was styled a “change of control” not a transfer of actual ownership of the franchises, which remained in TCI's name.
- Charter and TCI basically split the St .Louis metropolitan market in the years prior to June 2001. As a result, there was a bit of competition in providing a decent product, even though no franchise areas were contiguous. The tantalizing question as to which company would ultimately end up with this market and which was going to “do Dallas” hung unanswered for years until the balance of power was shattered with Charter's acquisition of TCI/ATT's 500,000+ subscribers, and TCI's permanent exit from this market.

The *Transfer Chart* above is based on information provided by long-time area regulators and consulting attorneys to the best of their knowledge and is not intended to be comprehensive listing of every one of the 100+/- individual franchises in the metro area. However, Charter is the only cable operator left in town, with the exception of tiny overbuilder Cable America's 7,500 subscriber system in Maryland Heights. The City rebuffed Charter's attempt to buy and eliminate its competition.

Similar transfer activities in other parts of the state are no different. Time Warner took over the American Cablevision franchise in North Kansas City. Mediacom acquired Springfield and other communities to achieve its position as the most frequent cable operator in "out-state" Missouri, while incumbents and over-builders have come and gone on the greater Kansas City portion of the state. For example:

Most Recent Franchise Renewal or Transfer			
Columbia	Mediacom (primary) Charter (partial area)	2006 in renewal 2006in renewal 2001 Transfer	1989 franchise from Cable America 1989 franchise
Maryland Heights	Cable America Charter	>>>>>>>>> 2001 transfer	2002 City refused sale to Charter from TCI / ATT
North Kansas City	Time Warner	1997 renewal 1996 transfer	from American Cablevision
Springfield	Mediacom	1993 franchise	
St. Charles City	Charter	2001 transfer 2001 renewal	from TCI / ATT
St. Charles County	Charter	2001 transfer	from TCI / ATT Note: Renewal In progress since 1998
St. Louis City	Charter	2001 transfer 2002 renewal	from TCI / ATT
St. Louis County	Charter	2001transfer	From TCI / ATT
St. Peters	Charter	2001 transfer 2001 renewal	From TCI / ATT

7. Differences in requirements depend on physical characteristics and terrain

Suburban “Town and Country” (actually home to Charter’s headquarters) began as a Warner Amex franchise, sold to Cencom, transferred to Crown Cable, reverted to Charter (a resuscitated Cencom) before old small Charter became new big Charter. It is a primarily residential suburb composed of many lovely gated streets, leafy subdivisions, and large homes. A highly publicized municipal debate is what to do with its deer population. (Shoot or relocate?) It has no alleys. Most utility lines are underground along easements at property lines. Both cable plant and cable drops are buried. Although not necessarily a frequent occurrence, accessing a broken line can be difficult and involves digging on private property near pools, patios, play sets, shrubbery, trees and garden beds.

Almost every street in urban core St. Louis is backed by alleys....home to utility poles and dumpsters, electric and telephone lines, garage entrances, back gates, both short and tall perimeter fences surrounding backyards overhung by large trees. Cable plant is primarily aerial, often the “low man on the pole” at barely 15 feet, and sometimes shorter than the height that trash trucks lift dumpsters to empty them. Technicians struggle with electrical code mandated clearances, mid-span drops which sag and loosen, garage fires and not-so-stray bullets which damage aerial plant. (Jokes abound on the topic of relocating or being shot.) The portions of plant underground (especially downtown) are in loaded streets along sewers, water mains, 13 other competitive telecom providers, gas lines. Accidental cuts are more frequent, with repairs requiring that traffic lanes are blocked. Average density might be the same, but the construction challenges and maintenance needs are completely different, mandating customized sets of requirements in each franchise.

.8. Legitimate cable related-needs and the desire to support PEG legitimately vary from community to community. There is no one size fits all for PEG Access nor should there be.

Kansas City and St. Louis find it beneficial to have 6 PEG channels, while Brentwood broadcast City Council meetings on the one government channel it felt it needed. Springfield opted for three educational channels, while municipal and county governments in St. Charles County banded together to support educational access and develop a new Public Access channel in 2001 based on community interest, which has proven justified. St. Louis County focused on two regional educational channels run by consortiums: the Cooperating School Districts' K-12 channel and the Cable Television Education Commission (Cable-TEC) which operates the wildly successful Higher Education Channel (HEC).

The need for support also varies from LFA to LFA; again bringing home the point that one-size does not fit all when it comes to video markets and community needs. St. Charles runs a well-respected and award-winning Government Channel. But a poll of its residents indicated little interest in Public Access, so there is no requirement for that. However, St. Charles imports the K-12 Educational Access Channel of the Cooperating School Districts, another area-wide consortium maximizing the usefulness and cost-effectiveness of using the same fundamental educational training programs in multiple school districts.

PEG Channels	Government	Public	College	Educational	K -12
Columbia					
Kansas City	Two	Two	Yes		Yes
North Kansas City	Yes	Yes	Yes		Yes
Springfield	Two Local Govt Two Federal Govt	None		Three	
St. Charles City	One	One	Lindenwood College		K – 12 – Cooperating School District
St Charles County	One	WPTV			K – 12

St. Peters	One	Channel 18		K- 12
St. Louis City	Two	One Public One Community	HEC - Higher Education Channel	K- 12 STL Board of Ed
St. Louis County	None	None		K – 12Cooperating School District
PEG Support	Government	Public	Educational College	K – 12
St. Charles City 2001	\$50,000 for equipment	None	None	Capital costs of installation only (transmission feed)
St. Louis City (2002)	\$475,000 Capital grant to convert digital video equipment over 15 year franchise term No operational support (City uses franchise fee to pay for channel)	\$75,000 video equipment Over 15 yr term Settlement Agreement = \$280,000 yr operation of Public/Communi ty channel facilities	No capital grants No operational support	No capital grants No operational support
Springfield Beginning of franchise	\$1,400,000 for equipment / capital		\$1,000,000 for start up of Educational Access at beginning of franchise	
St. Peters (2001)	Capital Grant for Equipment payable over 5 years \$43,867 annual operating support for an Access Studio (includes utilities)			

9. PEG is not vanity television. It provides valuable and timely communications and information to various community stakeholders.

When Mo-NATOA asked its member for some input and comment explaining the importance of PEG Channels to their jurisdictions, the answers - simple or long – were consistent. St. Peters, - - which shares Access channels with neighbors St. Charles and St. Charles County - was especially eloquent on the subject. We quote.

St. Peters, Missouri

“This is the first time for the operation of a public access channel in our County (St. Charles County), and the responses have been very good. 24/7 programming is offered; quality video equipment at modest costs to produce public access programs is available; professional video production classes at a modest charge to provide theoretical knowledge and practical hands-on experience related to the production of community access television programs are offered. Our program schedule has been growing steadily with a variety of programming, including some locally produced and non-profit PSAs. Thus, St. Peters cable subscribers are able to produce their own video programs and have them cablecast. Quality independent and community-produced Public Access programming is available for subscribers, provided through the Public Access management fees and investments by Charter Communications and the City.

Our County government utilizes the Access channels as designated for live broadcasting. The City of St. Peters provided such broadcasting services to air live and replays of the St. Charles County Commission meetings from 1995 to 2005, and beginning January 26, 2006, the Educational Channel with Lindenwood University will be broadcasting the St. Charles County Commission meetings and other St. Charles County programming.

Our government channel, STV-10, produces and provides a variety of informational government programs, such as “Ward Update” featuring important information that impacts both our neighborhoods and the entire City, the Upfront St. Peters news magazine that gives information about Citywide events, parks and recreation, City procedures, road construction and elections, “Municipal Warrants” broadcasting the names and addresses of individuals with outstanding arrest warrants issued by the St. Peters Municipal Courts, and other programs on legislative issues (“Capitol Dialogue; Missouri Legislative Update; Main Street Missouri”), as

well as routinely airing live broadcasts of work session and meetings of our Board of Aldermen and our Planning and Zoning Commission. All of these programs include interviews and dialogue hosted by governmental representatives, most of which is locally produced by the City.

Access Channels provides a unique opportunity to provide information in a different medium other than the written word Though we have other means of communicating with our residents (such as our monthly *Upfront Newsletter* mailed to all residents of the City and our City website and articles in the local newspaper) through “ visual” means of Access Channels , the subscriber /resident is able to become informed on many issues, as well as **be an active participant in the governmental activities of their own City and County through the “live” cablecast meetings. In addition, this medium is available to those residents who have physical limitations and can only be participatory through this means.**

The PEG/Access Channels assist the City and County in its continuing commitment to provide information and services to the residents so that they can make informed decisions and take an active part in their local community.

Satellite dish subscribers order Basic Cable because of the PEG Channels .

“ St. Peters has twice as many BASIC subscribers as we do DIGITAL subscribers. A majority of our subscriber base is BASIC & EXPANDED BASIC. A large factor for those who have stayed with the cable system versus satellite is due to the provision of the Access channels! If and when the satellite providers offer access to the government access channels, the subscriber base for cable providers would diminish greatly.

Our local (St. Peters) Cable Advisory Board, consisting of five volunteer citizens, one Aldermanic representative and one City staff person. Of the seven, two of its members subscribe

to cable television only, the other five subscribe to basic cable programming only so they can receive the PEG channels with additional services being provided by satellite providers. Even the Alderman has basic cable services for the Access channels and also has satellite services for all other programming.” (end quote)

St. Louis County

St. Louis County does has been a generous funder of the **Higher Education Channel (HEC)**, operated and programmed by a consortium of area universities under the guidance of the St. Louis County Cable Television Education Commission (“CABLE TEC”). 2% of the County’s franchise fee receipts are used to fund operations. The on-air college credit courses have been a boon to those who can’t get to a campus, and other programs fill the documentary spaces which the local PBS outlet cannot. The statistics are impressive:

- **50,000 college credit hours a years,**
- **37,000 registered students**

including elementary and secondary students who take foreign language courses dozens of new programs created in conjunction with taxpayer funded institutions like the Missouri Botanical Garden, the Missouri History Museum, the St. Louis Science Center and Planetarium Museum, not to mention NASA and other state/federal educational program sources.

St. Louis City

The Franchise Agency which operates the Government Access Channel reports that the live coverage of the weekly Board of Aldermen meetings is extremely popular with resident, business interests- and elected officials alike. The Agency sends out 1100 Program Guides per month which have been specifically requested by viewers. Based on industry formulas, this translates to literally thousands of viewers of CITY TV 10.

Live studio programs like “Best of the STL” incorporate studios audiences from different neighborhoods or organizations, while featuring local musicians, chefs, up-coming community events (the St Louis Mardi Gras celebration for example).

With large Hispanic and Bosnian immigrant populations – many of whom still suffer from language barriers, programs in their native tongues have proved a huge hit and fill a niche ignored by local broadcast entities.

CITY TV 10 has won Tellys and an Emmy for these and other Government Access Channel programs.

The Public and Community Access Channels are run by non-profit Double Helix Corporation, which has provided community media training since 1972, 14 years before Cable TV came to St. Louis. It has set up a highly successfully training program in cooperation with IBEW-Local 1 resulting in PEG participants receiving training and certifications which allow entry to unionized free-lance and broadcast jobs.

The Public School Board of Education used its K-12 channel to cablecast School Board meetings, which are not sleeper events in that community.

It did not ask for cable operator funding to duplicate a university channel operation in 1984, preferring the sensible approach of requiring only interconnection between systems so the existing HEC could serve a broader audience beyond St. Louis County..

University City

University City uses a portion of its franchise fee to fund CALLOP, which over the past 15 years has been a tremendous font of creative programming on both local and national history, art and culture. From a documentary on the much loved historic Tivoli Theatre(that served as the lynch-pin of a commercial districts revival), to a heartbreaking piece on the Tuskegee

Airmen, the fund has encouraged videographers and artists early in their careers to produce spectacular content, technically proficient material which can compete with any commercial production..

Springfield

Springfield's Government Channel was among the earliest in the country to recognize the coming nexus between video and internet, all the while winning national awards for creative programming.

Jefferson City

PEG channels in Jefferson City were operated out of facilities at Lincoln University, utilizing a single studio and shared equipment to maximum return on capital investment and the greatest amount of programming for the least amount of dollars.

10. PEG Channel operations built skilled workforces and serve as a valuable economic development tool.

Typical PEG in Missouri is not the myth of two airheads indulging themselves in front of a camera any more than the myth that a typical cable installer always shows up late, if at all. PEG "graduates" and current employees from around Missouri routinely bring home specialized national awards, Tellys, and a very respectable number of Emmys.

The Cooperating School Districts, previously mentioned, maximize the effectiveness of cable in the classroom with a number of video programs to support teachers and supplement print – only educational materials. One operation serves literally dozens of school districts spread over 3 large counties.... roughly 1200 square miles.

A PEG produced program about Hope House (an emergency shelter for battered women and their children) touched viewers, but also later helped bring home serious federal dollar to expand its mission. Other programs include lead-paint, mental health, and the local music scene.

The Higher Education Channel, discussed above, provides 50,000 credit hours of college credit courses delivered over the air, educates 37,000 registered students annually, and provides other educational material and an array of fascinating local documentaries filling a niche the local PBS affiliate cannot. Workers can improve their educational credentials from their living room. This not only saves gasoline, time and parking congestion at commuter campuses, but truly reaches out to those for whom a traditional campus education is not possible.

Lindenwood College's Educational Access channel under the auspices of St. Charles County, provides a viable and practical training ground for its aspiring and highly regarded communications majors. Lindenwood graduates find jobs in the field.

In January 2006 testimony before the Commerce Committee of the Missouri Senate, MO-NATOA used these and other examples to explain that the training, internships and professional opportunities offered in PEG operations have made important contributions to the portfolios of a developing labor pool (who got their start in PEG), evolving into a skilled labor force which has been the mainstay of a fairly vibrant video industry in eastern half of Missouri. Former PEG-ers in Missouri are now highly paid videographers going off to shoot national football and baseball games, work for ESPN, tape X-Games, find union wage employment with broadcasters and (more than a few) have even covered the Olympics (more than once). They bring home big paychecks of outside money and pay taxes on it. They go on to work at broadcast stations and national networks, for cable networks, and private corporations with video departments which lease time on cable networks. Without on-going support for homegrown PEG operations, an

entire sector of the workforce would lose its supply of fresh and trained talent. Our franchise contains the following customer service obligations, by which we are able to help ensure that the cable operator is treating our residents in accordance with federal standards and the terms it agreed to in its franchise.

11. Customer Service Obligations are not gratuitously imposed .

In the late 1990s, LFA representatives of St. Louis, St. Charles, St. Peters, St. Charles County, University City and other communities served at that time by TCI/ATT cooperated in developing a set of standardized minimum customer service requirements and measurements which could be used across the region. St. Louis and St. Peters adopted them as separate municipal ordinances. Others incorporated them into Cable Regulatory Codes or the Franchise Agreement itself, as appropriate for that community. The standards, based on those issued by the FCC, were customized for the specific needs and problems of this metropolitan area and this Operator's system. Fortunately, they were presciently relevant enough to provide considerable protection to citizens when a new Operator took over.

Key conditions in most of these standards include:

- appointment windows,
- telephone response (all trunks busy / hold times / abandonment rates
- published telephone messages and credits during system outages
- requirements that a supervisor *actually call back* within 4 hours (or next business day)
- privacy protections
- reporting requirements to verify compliance
- due process and cure periods for violations

Most have some sort of penalties or fines for chronic violations following reasonable cure periods. While fines do not prevent bad customer service, they do seem effective as a motivator for corrective action and a deterrent for continued poor performance going forward.

12. Build-out requirements are universal but contain reasonable timetables for completion.

Most Missouri LFAs and their Mayors feel strongly about *all* of their residents having access to the same services – whether that is trash pick-up, snow removal or multi-channel video systems like cable TV. Almost all Missouri franchises have requirements to serve or upgrade the entire franchise area within reasonable amounts of time.

This issue has risen to the forefront again in 2006. Missouri telephone companies are seeking state legislation granting a statewide franchise for video. Unfortunately, one of the largest, SBC has testified to a Senate Commerce Committee that its business plan does not include universal build out of even its own telephone footprint, let alone a local franchise area. These public statements track with the Commission's own research, as cited in the NPRM regarding SBC Project LightSpeed's proposed deployment to only 5% of its "low value" customers, while targeting 85% of "high" value" customers.

In Missouri, the Missouri Municipal League and its members (elected officials directly responsible to their constituents and only a phone call or grocery store line away) have made clear that a public policy (federal, state or local) which mandates service for some but not all is not an acceptable public policy.

Many cable operators in Missouri were given at least 5 years (and often 10 years) to build the original systems over 100% of the residential portions of the franchise area, and anywhere from 3 to 4 years to upgrade aging systems after renewal.

Most Missouri franchises have density requirements (homes per mile) at levels established by the Cable Operators themselves, and provisions that homes more than 125 feet from the cable plant may be required to pay an installation surcharge to have the system extended to them so they can receive service..

IV. COMPETITORS AND OVERBUILDERS

13. Competitive Cable Systems have been sorely lacking in Missouri and the reason is Operator choice, not LFA choice.

The LFA hope of competition in Cable goes back to the early 1980s in Missouri, but unfortunately has taken root only a few scattered places.

The City of St. Louis attempted to award two 1984 city-wide franchises to the two finalists who had the technical, legal and financial credentials to operate cable systems. Both STL Cablevision Partners and St. Louis City Communications refused to sign their franchise agreements unless the City was divided into two separate franchise areas.

St. Louis County has 524 square miles of potential territory and multiple suitors for the franchise, but at the demand of Cable Operators broke it into 5 separate pieces served by three major players.

Other cities report similarly dismal experiences, with three minor exceptions, only one of which is a particular success.

Over-Builder Video Franchises				
	Overbldr discussed	Ovbldr signed	Build done	Service offered
Columbia	Cable America	Yes	Yes –partial	Yes – partial area
Kansas City	Everest	Yes	Yes	Now discontinued
Maryland Heights	Cable America	Yes	Yes	Yes – 100% of city
North Kansas City	Adelphia –	No –talk only	No	no
Springfield	None	None	None	none
St. Charles City	Wide Open West	No – WOW submitted proposal but then lost interest	No	No
St. Charles County	Wide Open West	No - proposal only	No	No
St. Louis City	Wide Open West	No –WOW lost interest	No	no
St. Louis County	Wide Open West	No – WOW lost interest	No	No
St. Peters	Wide Open West	Yes - 2000	No WOW cited lack of financing	No – City extended deadlines 5 yrs then franchise was void

Adelphia

North Kansas City reports that Adelphia began talking with the City in the spring of 2000, but “Adelphia never brought any agreement to fruition here or elsewhere in the KC metro area at the time”.

Everest Communications

Kansas City granted a franchise to this over-builder. Kansas City (a Mo-NATOA member) has submitted its own extensive comments, so we will not elaborate or duplicate here.

Cable America

In the mid-90s a small company out of Oklahoma – Cable America – approached Maryland Heights (in St. Louis County served at that time by Continental Cable then TCI after

1996) and Columbia (college town in middle of Missouri served by Mediacom) for over -builder franchises, which were promptly granted. Mo-NATOA held a meeting and tour in the Maryland Heights system head end after it was up and running. Each attendee closely queried the obviously competent and caring System Manager on what it would take to get Cable America to their towns. The answer, disappointingly, was that CA was very conservative in evaluating the territory size and demographics that worked for its business plan.

Unfortunately in Columbia, Cable America began - but did not finish - its build out. The City Attorney reports that:

“the City granted a second franchise with the same terms (as Mediacom) but it actually has only been built in a few subdivisions in outlying areas. Some of this area existed prior to being annexed into Columbia. When the second franchise was granted originally to Cable America, the intention was to overbuild the entire franchise area, but this did not occur.”

Charter Communications bought the Cable America franchise around 2002, but has not expanded the system footprint either.

Maryland Heights is a success story, providing real choice to the residents of that town. However, soon after Charter Communications bought the incumbent TCI/AT&T system in Maryland Heights, it approached the City Council for approval to buy out the overbuilder Cable America system. The City Council (in no uncertain terms) denied the application and attempt by a major cable operator to literally eliminate its competition.

Wide Open West (WOW)

Five or six years ago, St. Peters, St. Louis, St Charles, St. Charles County and St. Louis County were all delighted to be approached by the enthusiastic agents for Wide Open West,

proposing to build systems offering voice/video/data and offering to negotiate cable franchises on terms which seemed generous.

While the interim experiences varied, the outcome in all cases was disappointingly the same: WOW did not overbuild anywhere in this market. St. Louis County summed it up best:

“WOW lost interest in building “.

It is enlightening to quote from Mo-NATOA members’ own words, which convey the wistful regret felt by local government when WOW focused its money and energy on acquiring existing Ameritech franchises in other states rather than building in Missouri:

St. Charles reports

“A proposal, including a draft franchise ordinance, was received from Wide Open West in January, 2001. During negotiations WOW became less enthusiastic about expansion and eventually we could not even get them to engage in further discussions because the investment market (the tech bubble) collapsed, they no longer could leverage expansion investment capital and they abandoned the project...without ever actually withdrawing the proposal; they just stopped talking to us and almost everybody else.”

St. Charles County reports

“We too had WOW approach us. We told them we would work with them and to give us an outline of what they were looking for in an agreement.

They did that. We responded and then we never heard from them again.

Our agreements going back into the 70s are for non-exclusive franchises.

Nothing would prevent us from granting additional franchises.”

St. Peters – granted a franchise WOW never built - answered as follows

- Q. List any other company which came to you for a overbuild franchise ?
- A. Wide Open West (W.O.W.)
- Q. Did you discuss?
- A. Yes, with presentations to the Board of Aldermen and other governmental elected officials
- Q. Did they actually apply for a franchise?
- A. Yes, with 4-6 weeks in active negotiations during a 4-month period
- Q. Did you grant the franchise?
- A. Yes, executed in August 2000
- Q Did they ever build the system, complete the system or start Operations?
- .A. No, system not constructed and no services provided due to lack of financing; City agreed to extend deadlines in Franchise for up to 5 years with no default action to be taken should cable operator not construct the cable system during this time period, franchise then void.

Kansas City has reported its experiences with WOW in its comments. We will not repeat those here.

14. Telephone Companies have not yet made any effort to acquire franchises.

During testimony before the Commerce Committee of the Missouri Senate on January 18, 2006, General Counsel Paul Lane of SBC (now AT&T) responded to Senator Bartle's question, "Have you tried to negotiate (a cable franchise) anywhere?" with "well, we've talked" (with some communities) "but no negotiations". When Senator Bartle also asked SBC about making public any letters or threats that cable operators allegedly made to cities regarding

telephone company competitors and level playing fields provisions, Mr. Lane stated, we “don’t have any”.

In another exchange at a meeting February 8 between Cable and Telephone representatives, a Mo-NATOA member present report that the same Mr. Lane was silent when a Comcast Cable Government Relations Manager suggested that “shock clock” language could solve his claimed timetable problem for getting telco video franchises. It seems the real issue on the table was not timing after all. Rather, the position was that because some telcos are not familiar with how to submit franchise applications, they should not have to submit them, and because they have never conducted local negotiations, they should not have to conduct any.

In a poll of its members, only one regulator was able to verify that its City had been approached at all by a telephone company

Telephone Company Video Franchise Requests				
	Telco broached or discussed franchise	Telco submitted Franchise App	Telco refused offer of franchise	Telco wants (or asks for) Permits Only
City of Columbia	No	No	----	----
North Kansas City	No	No	---	----
Springfield	Yes -informal talk	No	---	-----
St. Charles City	Yes – July 2005 informal talk to serve small new development area only	No	Yes	-----
St. Charles County	No	No	----	----
St. Louis City	No	No	-----	Yes
St. Louis County	No	No	---	----
St. Peters	No	No	----	---

In the sole reported case - the City of St. Charles - discussion centered on only a new “greenfield” area which SBC wanted to serve with broadband. As reported to Mo-NATOA:

SBC approached St. Charles through the Mayor and the Director of Economic Development in July, 2005 about provision of IPTV multi-channel video service in a new development area of the City. The City and SBC conducted several meetings and discussions to work out details of an agreement to use public rights-of-way for this service. In these negotiations the City's proposed regulatory and fiscal requirements were the same or similar to those negotiated with the Cable Operator. This was done to ensure that there was a level playing field for similarly situation service providers and to ensure that residents, regardless of service provider, would have a local contact to help resolve problems arising from construction of system plant, billing problems, and customer service issues.

The option of awarding a cable franchise under our regulatory code, adapted to SBC's specific needs, and which could have been done in two or three months, was summarily dismissed by SBC because it was a cable franchise. As more details of the real world agreement were discussed, SBC began stating that they wanted more advantageous terms than those in place for the incumbent cable operator. When SBC found out they would be paying a "franchise fee"- like, 5% business license for the entire term of the agreement, SBC said they would pursue preemptive legislation at the State and Federal level rather than meeting the same requirements as Charter currently meets. No further negotiations have occurred since September/October (2005).

V. CONCLUSIONS

1. Mo-NATOA believes that the specific and concrete examples provided in this filing demonstrate that franchising works well in Missouri in its current iteration: *local* franchises, issued by *local* governments, with components of *local* community needs negotiated at the *local* level by the *local* landlord and the *local* tenant of the *local* public right-of-way through which these systems are deployed.

2. Any deal which does not successfully balance the realistic public needs of the community and the reasonable business needs of the cable operator simply does not get signed. The parties keep talking until both are satisfied (resigned?) that they have gained everything possible to their advantage and as little as possible to their disadvantage. That is the nature of negotiation. That is what landlords and tenants do in creating franchise leases.

3. If real property rights were not involved, there would be no need or rationale for franchises. But because franchises involve real property, Mo-NATOA respectfully suggests they cannot and should not be overridden or second-guessed by Agencies or levels of government which do not own the property in question.

4. Truly effective and fair public policy decisions do not ignore property rights. The outcry over the recent Supreme Court decision regarding eminent domain is telling in this regard. Laws are being proposed at state and federal levels to ensure that government is not able to seize property owned by one party and transfer it to another private party to the benefit of the receiving party and the detriment of the original owner.

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5. Mo-NATOA's concrete examples of PEG Channel benefits indicate why, in an era of increasing media consolidation, the independent voices provided over PEG channels are valued by community stakeholder in Missouri (and we believe elsewhere): residents; elected officials; businesses; non-profits; video professionals; students and their parents.

6. The Commission is valuable to all Americans in its federal role as the regulator and trustee of federal property (spectrum and airwaves), and its efforts to implement federal law as a federal agency. It is not efficient for citizens who would have to make long-distance phone calls and wait months for resolutions, and it is not efficient for a Commission with long dormant field offices west of the Potomac.

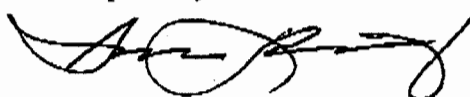
7. Because telephone providers have not made any effort to discuss, negotiate or even request cable franchise, multi-channel video authorizations, or OVS licenses in Missouri, there is no need to pre-empt any of those processes in the absence of ANY evidence that they provide barriers to entry. Something can be a barrier only if it truly blocks your passage. One can not rightly claim a door is locked until one has at least tried the handle. Verizon is proving successful at the effort to receive franchises in the east. SBC – by its own admission – has not even tried in Missouri. There is no merit to the Telco position that because they are not familiar with how to submit franchise applications, they should not have to submit them, and because they have never conducted local negotiations, they should not have to do so.

8. Mo-NATOA members support the comments of its fellow communities and regulators in embracing the concept that a certain amount of certainty in the regulatory climate (as is clearly the case after them many judicial proceedings following the 1984, 199 and 1996 Acts) is of benefit to the most stakeholders, even when a newer stakeholder might be disappointed that its path to deploy competitive products is not as advantageously smoothed as much as it might like.

9. We at the local level do not second-guess the FCC's wisdom in how it sells and auctions the valuable spectrum it manages, thus generating revenue for its level of government, even though those airwaves occupy our local airspace. Nor does a local government dictate to whom the US Government leases its land for telecommunications plant or logging or mineral rights. By the same logic, the Commission's proper role as a regulator of telecom providers and services does not extend to interference with local property rights and local decisions about use of public property it does not own.

The members of Mo-NATOA therefore respectfully suggests that the Commission need do nothing and should do nothing pre-empt our local processes and does not need to create a new third tier of regulation at the Federal level in Washington attempting to oversee detailed matters of local interest, or speed the entry of a video provider who seeks unfair advantages through federal preemption of local processes it simply does not like or respect.

Respectfully submitted,



Board of Directors
MO-NATOA Missouri Chapter of the National Association
of Telecommunications Officers & Advisors

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EXHIBIT 1

Missouri Franchise Authorities - Snapshot of Franchising

Community Characteristics					
	Population	Square Miles	Type		
Columbia	91,000	66	College town surrounded by rural		
North Kansas City	4,708	4+	Urban 1.3 sq m residential 2.8 sq m commercial/industrial		
Springfield	140,000	85	Urban		
St. Charles City	60,321	23	Historic urban river town		
St. Charles County	93,457	416	Urban and rural		
St. Louis City	348,000	63	Historic urban core		
St. Louis County	1,016,315	524			
St. Peters	55,000	22	Suburban		
Exclusive Franchises Forbidden prior to 1984 or 1992 Cable Acts					
Columbia	City Regulatory Code	1964			
Maryland Heights	Incorporation Charter	1985			
North Kansas City	Franchise	circa 1982	Original cable franchise		
Springfield	City Charter	1954			
St. Charles City	New City Charter	1981			
St. Charles County	Franchise	1970's	Original franchise		
St. Louis City	City Charter	1919			
St. Louis County	Cable Ord # 9659	1980	Original Franchise Code		
St. Peters	Ordinance # 552	1979	Original CATV franchise		
Regulatory Code / Franchise Conditions					
	PEG	Conditions for ROW Use	Level Playing Field Rules (MFN)	100% Buildout Residential	Consumer Protection Customer Service Standards
Columbia	Yes	Yes	Yes	Yes	Yes
North Kansas City	Yes	Requires License or franchise	----	Yes	
Springfield	Yes		Yes		Yes
St. Charles City	Yes	Yes	yes	Yes	

St. Charles County	-----	-----			Draft in progress
St. Louis City	Yes	Franchise req	Yes	Yes	Yes
St. Louis County	Yes		n/a	n/a	n/a
St. Peters	yes		Yes		yes
Separate Regulatory Code / Franchise Regulations Applicable to All					
Columbia	1989 Franchise being updated 2006 Regulatory Code being updated 2006				
North Kansas City	n/a				
Springfield	2006 New Regulatory Code being drafted				
St. Charles City	2001 City Code Chapter 111				
St. Charles County	2006 in progress				
St. Louis City	2002 Regulatory Code Ord 65431 2002 Customer Service Standards 65430			2002 Franchise Agreement	
St. Louis County	2001 Regulatory Code Ord 20420				
St. Peters	2001 City Code 640 Telecom Regulations				
Most Recent Franchise Renewal or Transfer					
Columbia	Mediacom Charter	2006 in renewal 2006in renewal 2001 Transfer	1989 franchise from Cable America 1989 franchise 2002 City refused sale to Charter		
Maryland Heights	Cable America Charter	>>>>>>>>>> 2001 transfer	from TCI / ATT		
North Kansas City	Time Warner	1997 renewal 1996 transfer	from American Cablevision		
Springfield	Mediacom	1993 franchise			
St. Charles City	Charter	2001 transfer 2001 renewal	from TCI / ATT		
St. Charles County	Charter	2001 transfer	from TCI / ATT Note: Renewal In progress since 1998		
St. Louis City	Charter	2001 transfer 2002 renewal	from TCI / ATT		
St. Louis County	Charter	2001transfer	From TCI / ATT		
St. Peters	Charter	2001 transfer 2001 renewal	From TCI / ATT		

Overbuilder Video Franchises				
	Overbldr discussed	Ovblldr signed	Build done	Service offered
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North Kansas City	Adelphia –	No –talk only	No	no
Springfield	None	None	None	none
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St. Charles County	Wide Open West	No - proposal only	No	No
St. Louis City	Wide Open West	No –WOW lost interest	No	no
St. Louis County	Wide Open West	No – WOW lost interest	No	No
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Springfield	Yes -informal talk	No	---	-----
St. Charles City	Yes – July 2005 informal talk to serve small new development area only	NO	Yes	-----
St. Charles County St. Louis City St. Louis County St. Peters	No No No No	No No No No	---- ----- --- ----	---- Yes ---- ---
PEG Channels	Government	Public	College	Educational K -12
Columbia				

Kansas City	Two	Two	Yes	Yes
North Kansas City	Yes	Yes	Yes	Yes
Springfield	Two Local Govt Two Federal Govt	None	Three	
St. Charles City	One	One WPTV Channel 18	Lindenwood College	K – 12 – Cooperating School District
St Charles County	One			K – 12
St. Peters	One			K- 12
St. Louis City	Two	One Public One Community	HEC - Higher Education Channel	K- 12 STL Board of Ed
St. Louis County	None	None		K – 12Cooperating School District
PEG Support	Government	Public	Educational College K – 12	
St. Charles City 2001	\$50,000 for equipment	None	None	Capital costs of installation only (transmission feed)
St. Louis City (2002)	\$475,000 Capital grant to convert digital video equipment over 15 year franchise term No operational support (City uses franchise fee to pay for channel)	\$75,000 video equipment Over 15 yr term \$280,000 yr operation of Public/Communi ty channel facilities	No capital grants No operational support	No capital grants No operational support
Springfield Beginning of franchise	\$1,400,000 for equipment / capital		\$1,000,000 for start up of Educational Access at beginning of franchise	
St. Peters (2001)	Capital Grant for Equipment payable over 5 years \$43,867 annual operating support for an Access Studio (includes utilities)			

EXHIBIT 2

SAMPLE OF PEG ACCESS CHANNELS and FUNDING in MISSOURI

CHANNELS / SUPPORT				
	St Charles	St. Louis	Springfield	St. Peters
Government Access	1 for subscribers	1 for subscribers 1 scrambled training		1 Government
Public Access	None	1 Public Access 1 Community Access		1 Public
Educational College	1 Lindenwood College	1 Higher Education Channel (HEC-TV)		1 Lindenwood College
Educational K-12	1 Co-operating School District	1 STL Public School Board		1 K – 12
Capital Grants (over life of franchise)		\$475,000 Government digital video equipment \$ 75,000 Public / Comm video equipment		Capital grant paid in 5 annual installments
Operational Support Annual basis		\$280,000 year Public/ Community channel operations None - Government None - Education		About \$43,867 to provide a studio facility (with utilities and phone lines) for Access channels
Pass-Through To Subscriber	Included in rates	None for capital Operational support included in existing rates prior to 2001	Included in rates	Yes – 35 cents per month for new requirements